

IN THE SENATE

SENATE BILL NO. 1045

BY JUDICIARY AND RULES COMMITTEE

AN ACT

RELATING TO TRUSTS AND FIDUCIARIES; AMENDING CHAPTER 1, TITLE 68, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 68-106A, IDAHO CODE, TO PROVIDE FOR THE FIDUCIARY DUTY OF TRUSTEES TO DETERMINE EQUIVALENT VALUE OF SUBSTITUTED PROPERTY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 1, Title 68, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 68-106A, Idaho Code, and to read as follows:

68-106A. FIDUCIARY DUTY TO DETERMINE EQUIVALENT VALUE OF SUBSTITUTED PROPERTY. Notwithstanding the terms of a trust instrument, if a grantor has the power to substitute property of equivalent value, a trustee has a fiduciary duty to determine that the substitute property is of equivalent value, prior to allowing the substitution.